



The Big Sky Country

EXHIBIT 4

DATE 1/21/13

HB None

MONTANA HOUSE OF REPRESENTATIVES

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May 19, 2011

TO: Tori Huntausen, Legislative Auditor

FROM: Sheri Scurr, *Scurr* Legislative Services Division,
on Behalf of the House State Administration Standing Committee

RE: Request for Legislative Audit of Veterans' Homes

This memorandum is to formalize a request by the House State Administration Standing Committee for a legislative audit of the Montana Veterans' Home in Columbia Falls (MVH) and the Eastern Montana Veterans' Home in Glendive (EMVH).

This request results from legislative debate in the House State Administration Committee concerning HJR 30, carried by Rep. Bill Beck. HJR 30 requested an interim legislative study to examine the costs and benefits of privatizing administration of the MVH.

During the House State Administration Committee's April 2, 2011, hearing on HJR 30, testimony indicated that the primary interest behind HJR 30 was a desire by the legislature to discover whether the cost of operating the MVH could be reduced without compromising services. Some committee members expressed concern about information presented in testimony that there was a large disparity between the daily cost per resident at the MVH and the daily cost per resident at the EMVH.

During executive action on HJR 30 on April 12, 2011, several committee members expressed their opinions that a legislative audit would be more appropriate than an interim study. A motion to DO PASS HJR 30 failed on a tie vote (9-9) and the bill was subsequently tabled. The committee then requested, by consensus, that a letter from the committee be sent to request a legislative audit.

This letter, therefore, requests a legislative audit to:

- identify and compare the costs of operating MVH and EMVH;

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- examine whether privatization of other similar facilities in Montana or in other states have reduced or increased costs and how privatization affected the services provided;
- analyze the potential costs and benefits of privatizing the MVH; and
- develop options and recommendations for the more efficient operation of MVH without compromising the quality of services.

Attached for your consideration is a copy of HJR 30, the written outline of minutes for the April 7, 2011, hearing and April 12, 2011, executive action on HJR 30, a legislative fiscal division analysis provided during session debate on funding for the veterans' homes, and the membership list for the House State Administration Committee. The complete audio of meetings are available online at www.leg.mt.gov.

The House State Administration Standing Committee would appreciate your favorable consideration of its request and looks forward to being kept informed of Legislative Audit Committee and Legislative Audit Division deliberations and decisions concerning this request.

Thank you for your time and consideration.

enc.

HJR 30

Minutes

LFD Fiscal Report

cc

Legislative Audit Committee

House State Administration Committee

Megan Moore, Staff, SAVA Interim committee

Sue O'Connell, Staff, CFHHS Interim committee

Kris Wilkinson, LFD

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